

From: Dennis Kubly
To: Whetton, Linda
Date: 3/26/2004 7:30:23 AM
Subject: Draft Outyear Budget Process Recommendation from Budget Ad Hoc Group

Linda,

Please convey this e-mail and attachments to the TWG and Budget Ad Hoc members as discussion materials for our meeting next week. They contain minutes from the last Budget Ad Hoc Group meeting with recommendations on a new budget and workplan development process and a spreadsheet that illustrates proposed actions and timelines for the process. The Budget Ad Hoc anticipates receiving feedback from the TWG for further refinement of the budget development process prior to a determination by TWG at their next meeting whether the process can be recommended to AMWG. Thanks.

dk

CC: Peterson, Randall

TWG BUDGET AD HOC MEETING
March 17-18, 2004

Draft Meeting Minutes

RECOMMENDATION: *The Budget Ad Hoc Group (BAHG) recommends that the TWG test and, if successful, recommend to AMWG a two-year rolling budget and workplan development process having the following components (see enclosed spreadsheets for FY 2004-FY 2011 as examples):*

- *Fiscal reporting of expenditures for the previous fiscal year in January of the current year*
- *Updates on implementation of projects recommended by AMWG for the previous fiscal year in January and in July for the current fiscal year*
- *Concurrent development of current fiscal year +1 and current fiscal year +2 budgets with TWG recommendation to AMWG by December for AMWG to make their recommendation to the Secretary of the Interior in January of current fiscal year*
- *Rollover of current fiscal year +2 budget and workplans to become current fiscal year +1 budget and workplans with development of a new current fiscal year +2 budget*
- *Establishment and implementation of criteria that would be used to evaluate the necessity of reopening portions of the rollover fiscal year +2 budget when it becomes the current fiscal year +1 budget, e.g. receipt of appropriations, development of new projects or new management actions*
- *Establishment of a process for development of appropriations requests as part of the current fiscal year +2 budget*
- *Strategic analysis of outyear (current fiscal year +3 to current fiscal year +5) activities to forecast major changes, determine need for contingencies, and develop draft projects.*

The BAHG also recommends that TWG accept the budget and workplan formats as provided by GCMRC and BOR in the FY 2005 budget and workplans.

Inputs to Budget and Workplan Process (minimum documents to be used in developing budgets and workplans):

- *AMP Strategic Plan (Information Needs, Management Objectives, Goals)*
- *GCMRC Strategic Plan*
- *Core Monitoring Plan*
- *Long-term Experimental Plan*
- *SCORE Report*
- *Previous Year's Budget and Workplan*
- *Previous PEP Reports and Recommendations*

Who does the first cut on budget and workplans? *GCMRC, Reclamation, and PA members*

What are the components of the budget and workplan process? *Fiscal reports, project progress reports, budget spreadsheets, workplans, new project proposals, appropriations requests, and 5-year strategic assessments*

What period of time should the budgets and workplans address? *Please see the accompanying spreadsheet for illustration of the calendar for development of budgets and workplans. All dates are expressed relative to the expected date for passage of the budget by AMWG. For example, Year +1 and Year +2 refer to FY 2006 and FY 2007 for the budgets presented by TWG to AMWG for their recommendation in January 2005. The FY 2006 and FY 2007 budgets and workplans would be developed beginning in spring of FY2004, approved by TWG by November 2004, and sent to AMWG in December 2004. They would be detailed documents drafted by GCMRC, Reclamation, and PA members for respective program areas and vetted through the Budget Ad Hoc prior to submission to TWG in June or July. TWG would provide feedback for development of final draft documents to be presented to TWG for final deliberations and a recommendation to AMWG at a September or October meeting. In the following year, the FY 2007 budget (now the Year +1 budget) would be discussed only to entertain changes that meet criteria to be developed by the BAHG and agreed to by TWG. The majority of budget and workplan development would be directed at the Year +2 budget, which in January 2006 would be the FY 2008 budget. This cycle would be repeated each year as a review of the Year +1 budget and development of a new Year + 2 budget.*

How will appropriations requests be handled? *An appropriations request can be generated in two ways: (1) it can be an internal request by a federal agency as an addition to that agency's budget by mid-year in the calendar year two years in advance of the beginning of the fiscal year for which additional funding is being requested, e.g. a June 2004 request for funding in FY 2007 (beginning October 1, 2006) or (2) it can be a request by non-federal GCDAMP members to members of Congress to add funding to an agency's budget in the fiscal year budget submitted by the President in mid-January, e.g. by February 1, 2005, for the FY 2006 budget. Appropriations requests carry with them the risk that Congress will direct an agency or bureau to conduct the work without actually receiving additional funding; therefore, these requests should be well thought out and have considerable support.*

The BAHG does not believe that it has sufficient expertise to develop the process for an appropriations request and advises that a separate ad hoc, perhaps with both TWG and AMWG representation, should be formed, or the BAHG should be supplemented with members having the appropriate expertise and experience with the federal budget process to address this part of budget development.

Strategic Analysis—5 year : What would this analysis accomplish? *Identification of long-term changes in program implementation, planned and unplanned*

Schedule for Budget/Workplan Development: *Begin development of budget and workplans in June (this schedule may have to be postponed for the FY 2006-2007 budget development to allow creation of the GCMRC strategic plan, the core monitoring plan,*

and the long-term experimental plan). Draft budgets and workplans vetted through the BAHG. TWG would approve and deliver to AMWG in December. AMWG presented with draft budget and workplans in December for January recommendation to Secretary.

BAHG recognizes that reporting of progress on previous and current year workplans, to AMWG in January and July, is necessary. BAHG will develop a protocol to recommend to TWG what information will be conveyed and how that information should be integrated into budget development, including the discretion of GCMRC to spend within programs or reallocate funds across programs without seeking concurrence from TWG or AMWG. This topic may be part of the agenda for the AMWG retreat scheduled in June 2004.

Format and Content of Budget and Workplans: January end of year report (major categories, there may be additional detail required within these categories): Salaries and Benefits, Logistics, Travel, Supplies, Equipment, Administrative Costs (Overhead/Indirect Cost), Contracts and Coop Agreements, Carryover Funds.

Mid-Year and End-of-Year Reports: Progress/status reports on projects; what percentage of project has been completed and reports received and reviewed; are funds obligated, is the project in progress, has it been submitted to contracting.

Budget Format: Okay as in FY 2005, with addition of explanation of abbreviations for project categories.

Workplan Format: Okay as in FY 05, with addition to include reference to core monitoring plan or long-term experimental plan protocols for design, precision and accuracy that dictate frequency, intensity, and distribution of sampling regimes. Add a line of text to identify actual cost savings if the project is not funded, i.e. GCMRC fixed costs are not saved if project is not funded.

Appropriations Request: TWG/AMWG ad hoc identified above will investigate appropriations request process and identify format and content for this request process

Strategic Analysis: Program review based on documents prepared as an outcome of projects implemented.